



# Trade Facts

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## **Morocco FTA Leads to Progress on Labor Reform Cooperative Approach Produces Real Results**

*"The Moroccans have democratized their political structures, recently made historic reforms to improve women's rights, and codified new labor rights and protections based on key International Labor Organization conventions... Congress can make an important contribution by approving the agreement this year."*

*-- Former U.S. Trade Representative Mickey Kantor*

*"This is a sound agreement that promotes our commercial interests and contains important provisions on agriculture, labor and intellectual property. Beneficial economic engagement with allies under mutual threat is one issue that should transcend today's political rancor and should unite all political parties and persuasions."* -- *Former U.S. Trade Representative Clayton Yeutter*

- The prospect of a free trade agreement (FTA) with the United States helped to forge a domestic consensus for labor law reform in Morocco, spurring reform efforts that had been stymied for more than 20 years. A comprehensive new labor law went into effect on June 8, 2004.
- Like all U.S. free trade agreements, the U.S.-Morocco FTA contains provisions requiring the effective enforcement of domestic labor and environmental laws, and cooperative efforts to upgrade labor and environmental standards.
- The new Moroccan labor law is a significant improvement over existing laws and regulations. The law:
  - Raises the minimum employment age (from 12 to 15) to combat child labor.
  - Reduces work week from 48 to 44 hours with overtime rates payable for additional hours.
  - Calls for periodic review of the Moroccan minimum wage. Effective July 1, 2004, the minimum wage will increase by ten percent.
  - Improves worker health and safety regulations, addresses gender equity in the workplace, and promotes employment of the disabled.
  - Guarantees rights of association and collective bargaining and prohibits employers from taking actions against workers because they are union members.
- The U.S. government, through the Department of Labor, has a significant assistance program (nearly \$9.5 million) designed to improve industrial relations, activities to combat child labor, and enforcement of the new labor code.
- Morocco has ratified seven of the eight ILO core conventions, and is currently considering ratification of the final one.
- The Moroccan constitution guarantees the right to strike and this right is exercised regularly.